

SENATE BILL 2442  
By Ketron

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 6, Part 2, relative to sales and use taxes.

WHEREAS, the total state budget for fiscal year 1993-1994 was less than twelve billion five hundred million dollars (\$12,500,000,000); and

WHEREAS, the total state budget for fiscal year 2003-2004 was greater than twenty-one billion eight hundred million dollars (\$21,800,000,000); and

WHEREAS, this represents an increase of approximately 74% in only one decade, which the general assembly finds to be an unacceptable level of budgetary growth in that period of time; and

WHEREAS, the economy has improved to the degree where taxpayer relief is now appropriate based on the sales and use tax revenue currently being generated; now, therefore, BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-202, is amended by adding the following language as a new subsection to be designated as follows:

(d) Notwithstanding any provision of this section or any other law to the contrary, if the department of revenue determines that total sales and use tax revenue collected for the 2003-2004 fiscal year totaled between one hundred fifty million dollars (\$150,000,000) and three hundred million dollars (\$300,000,000) greater than total sales and use tax revenue collected during fiscal year 2002-2003, then the tax rate levied pursuant to the second sentence of §67-6-202(a) is reduced to the rate of six and seventy-five hundredths percent (6.75%), effective September 1, 2004. If the department of revenue determines that total sales and use tax revenue collected for the 2003-2004 fiscal year totaled between three hundred million dollars (\$300,000,000) and four hundred fifty million dollars (\$450,000,000) greater than total sales and use tax

revenue collected during fiscal year 2002-2003, then the tax rate levied pursuant to the second sentence of §67-6-202(a) is reduced to the rate of six and one-half percent (6.5%), effective September 1, 2004. If the department of revenue determines that total sales and use tax revenue collected for the 2003-2004 fiscal year totaled between four hundred fifty million dollars (\$450,000,000) and six hundred million dollars (\$600,000,000) greater than total sales and use tax revenue collected during fiscal year 2002-2003, then the tax rate levied pursuant to the second sentence of § 67-6-202(a) is reduced to the rate of six and twenty-five hundredths percent (6.25%), effective September 1, 2004. If the department of revenue determines that total sales and use tax revenue collected for the 2003-2004 fiscal year totaled more than six hundred million dollars (\$600,000,000) greater than total sales and use tax revenue collected during fiscal year 2002-2003, then the tax rate levied pursuant to the second sentence of § 67-6-202(a) is reduced to the rate of six percent (6.0%), effective September 1, 2004.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring

it.